

Federal Communications Commission

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(b) Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) No entries shall be made to this account to reflect interperiod tax allocation.

§ 32.7440 Nonoperating other taxes.

This account shall be charged and Account 4080, Other Taxes—Accrued, shall be credited for all nonoperating taxes, other than Federal, state and local income taxes, and payroll related taxes for the current period. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes. This account shall also reflect subsequent adjustments to amounts previously charged.

§ 32.7450 Provision for deferred nonoperating income taxes—net.

(a) This account shall be charged or credited, as appropriate, with contra entries recorded to the following accounts for nonoperating tax expenses that has been deferred in accordance with § 32.22 of subpart B:

4110 Net Current Deferred Nonoperating Income Taxes

4350 Net Noncurrent Deferred Nonoperating Income Taxes

(b) Subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, state and local income taxes. Such subsidiary record categories shall be reported as required by part 43 of this Commission's Rules and Regulations.

§ 32.7499 Content of accounts.

Interest and related amounts shall be included in Accounts 7510 through 7540.

§ 32.7500 Interest and related items.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7510 through 7540. Class B telephone companies shall use this account for interest and related items of the type and character required of Class A companies in Accounts 7510 through 7540.

§ 32.7510 Interest on funded debt.

(a) This account shall include the current accruals of interest on all classes of debt the principal of which is includable in Account 4210, Funded Debt. It shall also include the interest on funded debt the maturity of which has been extended by specific agreement.

(b) This account shall be kept so that the interest on each class of funded debt may be shown separately in the annual reports to this Commission.

(c) These accounts shall not include charges for interest on funded debt issued or assumed by the company and held by or for it, whether pledged as collateral or held in its treasury, in special deposits or in sinking or other funds.

(d) Interest expressly provided for and included in the face amount of securities issued shall be charged at the time of issuance to Account 1330, Other Prepayments, and cleared to this account as the term expires to which the interest applies.

(e) This account shall also include monthly amortization of balances in Accounts 4220, Premium on Long-Term Debt, and 4230, Discount on Long-Term Debt.

§ 32.7520 Interest expense—capital leases.

This account shall include the interest portion of each capital lease payment.

§ 32.7530 Amortization of debt issuance expense.

This account shall include the monthly amortization of the balances in Account 1407, Unamortized Debt Issuance Expense.

§ 32.7540 Other interest deductions.

(a) This account shall include all interest deductions not provided for elsewhere, e.g., discount, premium, and expense on notes maturing one year or less from date of issue.

(b) A list of representative items of indebtedness, the interest on which is chargeable to this account, follows:

(1) Advances from affiliated companies;

(2) Advances from nonaffiliated companies and other liabilities

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- (3) Assessments for public improvements past due;
 - (4) Bond coupons, matured and unpaid;
 - (5) Claims and judgments;
 - (6) Customers' deposits;
 - (7) Funded debt mature, with respect to which a definite agreement as to extension has not been made;
 - (8) Notes payable on demand or maturing one year or less from date of issue;
 - (9) Open accounts;
 - (10) Tax assessments, past due; and
 - (11) Discount, premium, and issuance expense of notes maturing one year or less from date of issue.
- (c) Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to Account 7510, Interest of Funded Debt, if any portion of the obligation matures more than one year from date of issue.

§ 32.7599 Content of accounts.

These accounts are intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

§ 32.7600 Extraordinary items.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7610 through 7640. Class B telephone companies shall use this account for transactions of the type and character required of Class A companies in Accounts 7610 through 7640.

§ 32.7610 Extraordinary income credits.

This account shall be credited with nontypical, noncustomary and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account

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7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

§ 32.7620 Extraordinary income charges.

This account shall be debited with nontypical, noncustomary and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

[54 FR 22758, May 26, 1989]

§ 32.7630 Current income tax effect of extraordinary items—net.

This account shall be charged or credited and Account 4070, Income Taxes—Accrued, shall be credited or charged for all current income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.

§ 32.7640 Provision for deferred income tax effect of extraordinary items—net.

This account shall be charged or credited, as appropriate, with a contra amount recorded to Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes or Account 4110, Net Current Deferred Nonoperating Income Taxes for the income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges, that have been deferred in accordance with § 32.22 of Subpart B.

§ 32.7899 Content of accounts.

Jurisdictional differences and non-regulated income amounts shall be included in Accounts 7910 and 7990.

§ 32.7910 Income effect of jurisdictional ratemaking differences—net.

This account shall include the impact on revenues and expenses of the